

EX PARTE OR LATE FILED

Dockets 222

PP No. 93-253

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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4 OCT 1993

IN REPLY REFER TO:

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OCT - 5 1993

Honorable John B. Breaux
United States Senate
516 Hart Senate Office Bldg.
Washington, DC 20510-1803

93-253

Dear Senator Breaux:

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

This is in response to your letter of September 7, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Your constituent, W. Bruce Hanks, expresses support for licensing PCS by Metropolitan Statistical Areas (MSAs) and Rural Service Areas (RSAs).

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314, allocating 120 megahertz of spectrum for licensed PCS. The Commission decided to adopt Basic Trading Areas (BTAs) and Major Trading Areas (MTAs) for service areas; 60 megahertz of spectrum was allocated for BTAs and 60 megahertz for MTAs. There are 492 BTAs and 51 MTAs for licensing purposes. The Commission concluded that BTAs are representative of likely PCS markets in which local communications will take place, and that MTAs will provide the economies of scale and scope necessary to promote development of low cost PCS equipment. Licensees will be required to offer service to at least one-third of the population in each market area within five years of being licensed, two-thirds of the population within seven years, and 90 percent of the population within ten years. In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission proposed licensing preferences in 30 megahertz of the BTA spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's action is designed to ensure the expeditious provision of PCS in both urban and rural areas. For your information, I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that address these issues.

Sincerely,

Thomas P. Stanley

Thomas P. Stanley
Chief Engineer

Enclosures

JOHN BREAUX
LOUISIANA

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CHIEF DEPUTY WHIP

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September 7, 1993

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Ms. Lauren J. Belzin
Office of Legislative Affairs
Federal Communications Commission, #808
1919 M Street, N.W.
Washington, D.C. 20554

Dear Ms. Belzin:

I have been contacted by Bruce Hanks, with Century Telephone Enterprises, Inc., in Monroe, Louisiana. Mr. Hanks writes regarding the Personal Communications Service.

Please investigate the enclosed information sent to me and provide me with a report. Your reply may be forwarded to the attention of Guy R. Mayer.

Thank you for your attention and assistance.

Sincerely,



JOHN BREAUX
United States Senator

JB:grm
Enclosure



P. O. Box 4065
Monroe, Louisiana 71211-4065
(318) 388-9500

1993 AUG 24 AM 10:39

August 20, 1993

W. BRUCE HANKS
PRESIDENT
MOBILE COMMUNICATIONS GROUP

The Honorable John Breau
United States Senate
516 Hart Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Breau:

Personal Communications Service (PCS) is one of the promising new wireless technologies. Its development and delivery to the consuming public should spark significant growth in telecommunications infrastructure, economic development and job creation. It is in the best interest of these goals that I seek your assistance.

On September 23, the Federal Communications Commission will decide several key elements of the PCS program. Among these is a most important decision of the size of the license areas. As you know, the cellular industry was initially developed using well-established Metropolitan Statistical Areas (MSAs). This concept was extended through the use of Rural Statistical Areas (RSAs). The result was ubiquitous service for all at affordable prices with relatively rapid deployment.

This same method of PCS licensing and deployment is under consideration by the FCC and is endorsed by the Department of Justice, the Small Business Administration and the Cellular Telecommunications Industry Association. Also under consideration is the use of Major Trading Areas (MTAs), which we feel will severely limit the rapid deployment of PCS and its ensuing benefits. This is especially true in the smaller metropolitan and all the rural areas. An MTA license holder would logically focus its limited capital resources on the development of large metropolitan areas before building out the rest of the market.

For over 50 years, Century Telephone Enterprises, Inc. and its nearly 3,600 employees have provided modern telecommunications to rural and small metropolitan communities. We have found that the consumers and businesses in these areas thirst for the same technology as their "Big City" brothers. The solid economic health of our customers is testament to the value of serving these communities as soon as possible.

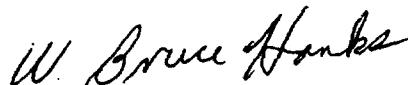
I am asking that you support our efforts to establish the MSA/RSA license size as the method to deploy PCS. Further, I ask that you convey your support to the FCC as early and as often as possible.

To assist you I have enclosed the following:

- A summary of the key benefits of MSA/RSA license size.
- A map of existing MSA/RSAs with an MTA overlay. Using Louisiana RSA 4 (highlighted), as an example, you can easily see that the interest of Louisiana RSA 4 would most likely be lost in the favor of Dallas.

Senator Breaux, your support will make a difference. Century Telephone Enterprises, Inc. and its nearly 1,000 Louisiana employees thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "W. Bruce Hanks".

W. Bruce Hanks

WBH/rlc

BENEFITS OF RSAs/MSAs FOR PCS LICENSES



The smaller size of Metropolitan Statistical Areas (MSAs) and Rural Service Areas (RSAs) -- by comparison with Rand McNally Major Trading Areas (MTAs) and Basic Trading Areas (BTAs) -- is an asset in the Personal Communications Service (PCS) context. PCS appears to be inherently local -- since it is built on microcellular principles -- and best accommodated by the multiple local service areas comprising the cellular MSA/RSA regime.

- ◆ Smaller markets benefit the public by speeding service to consumers across the nation, including smaller cities and rural areas, as demonstrated in the fast roll-out of cellular service in RSAs in the past three years.
- ◆ As the Chief Counsel for Advocacy of the U.S. Small Business Administration has argued, smaller markets foster development of market- and customer-specific service offerings, rather than compelling customers to use homogenized offerings.
- ◆ Smaller markets increase competition and economic opportunities for small business by reducing their entry costs and enabling them to participate directly in providing PCS services. Based on the cellular experience, their participation will also lead to job creation and infrastructure investment in smaller cities and rural areas.
- ◆ Smaller markets will foster wider participation by providing opportunities for firms with an interest and expertise in particular markets, which might go unserved if they were part of larger license areas.
- ◆ Smaller markets will attract more capital for infrastructure investment from venture capitalists, vendors and local lenders than would be available in larger markets to fewer and larger licensees.
- ◆ Smaller markets will generate greater Treasury revenues by increasing the number of licenses and bidders.
- ◆ To the extent PCS does not develop into regional or nationwide services, creation of a nationwide or regional licensing regime could severely handicap the delivery of service to many localities. Larger license areas are not easily disaggregated into smaller areas, and could be the subject of prolonged litigation.
- ◆ To the extent any aspect of PCS evolves into a regional or nationwide service, the cellular licensing areas will not prove a barrier to the development of consistent standards or the delivery of such wide area services. Aggregation up to larger markets is not prevented or handicapped by smaller license areas, particularly if an auction process is used.
- ◆ MSAs/RSAs have been fully defined and customized for wireless mobile services. Once these areas were customized to account for the pre-existing wireline boundaries, LATAs and other factors, the actual licensing process was radically streamlined (94 months for MSA rulemaking/licensing versus 48 months for RSA rulemaking/licensing). Why adopt a new regime, such as MTAs or BTAs, which was not designed for this purpose, and which will require prolonged correction?